

Risk Management/Safety provides programs of loss prevention and loss management by planning for contingencies, providing prudent insurance coverage, reviewing loss experience, and advising management on opportunities for safety improvement. This office also reduces the risk of illness or injury to all employees by developing, implementing and improving programs that provide training, technical guidance and support while ensuring adherence to federal and state regulations.

2004/05 Operational Highlights:

- Negotiated the city's renewal of insurance coverage at a 3% increase, which was significantly lower than the industry standard.
- Expanded the role of the third party administrator to provide the city with a dedicated adjuster to investigate claims without any increase in contracted expenditures.
- Established procedures requiring directors and supervisors to be present to discuss causes of accidents in their respective areas and to ensure corrective action will be taken to avoid further recurrences.
- Implemented a written safety plan for city operations which combined the safety and risk management functions and brought the city into compliance with state Occupational Health and Safety Administration (OSHA) requirements.
- Received a positive report from the Federal Transit Administration Substance Abuse Management Program audit team on the division's handling of the drug/alcohol testing program for the Transit Division.
- Achieved substantial savings for the city by moving to the State Retiree Health Care plan, thereby increasing operational and cost efficiencies by transferring the city's retiree costs to a larger, shared plan.

2005/06 Goals and Objectives:

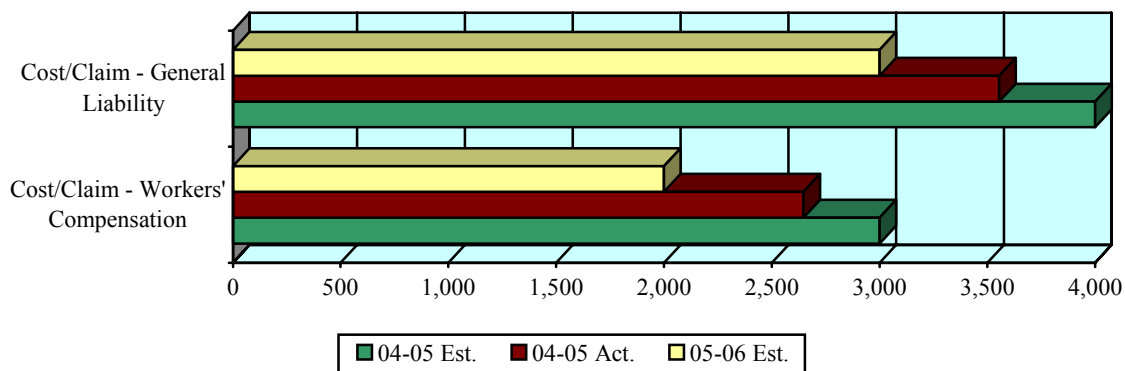
- Enhance the safety and risk program to continue to provide a safe working environment for city employees and the public.
- Continue to perform audits of division contractors to assure high levels of performance in reducing on-the-job injuries and controlling claims costs.
- Establish a process to allow directors and supervisors to access loss trend data in their operational areas.
- Incorporate work and supervision safety concepts into each city employee's performance evaluation.
- Develop a loss control function within Risk/Safety to identify areas in which the city sees high-cost losses in claims, vehicles, equipment and property.

Budget Commentary:

The Risk Management/Safety operating budget of \$24,530,336 is supported by the Risk/Safety Administration Fund (6101); the Insurance Claims Fund (6104); the Benefits Administration Fund (6106); the Santa Fe Health Fund (6107); the Retiree Health Care Fund (6108); and the Workers' Compensation Fund (6109). The operating budget includes funding for nine staff members and associated benefits. The majority of the appropriations for Risk Management/Safety are for various types of insurance coverage. Also included are various contracted services for benefits plan administration, legal contingencies, and actuarial fees.

While no new positions have been added to Risk Management/Safety, two positions were reclassified in FY 2004/05 to a Risk and Safety Division Director and a Safety Manager.

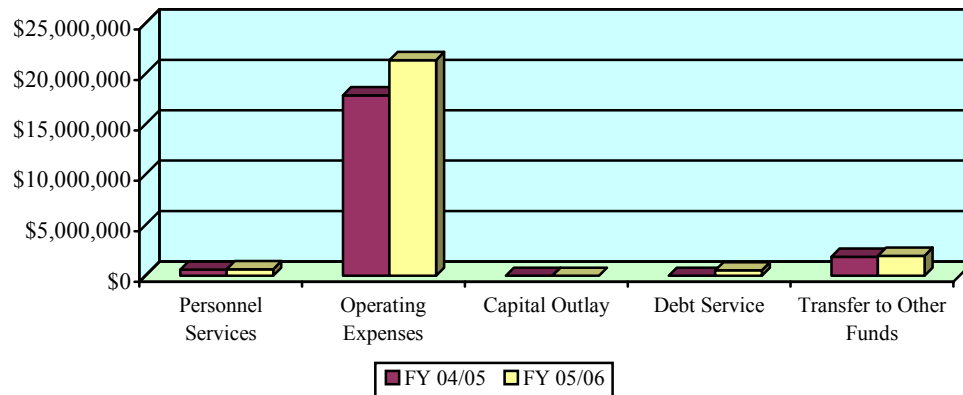
<u>Standard Program Measurements:</u>	<u>04/05 EST.</u>	<u>04/05 ACTUAL</u>	<u>05/06 EST.</u>
1. Number of claims – general liability	225	215	200
2. Cost per claim – general liability	\$4,000	\$3,555	\$3,000
3. Number of claims – workers' compensation	205	234	200
4. Cost per claim – workers' compensation	\$3,000	\$2,647	\$2,000
5. Drug/alcohol tests conducted	350	298	200
6. Number of employees given OSHA-mandated training	500	610	620



<u>POSITION/CLASSIFICATION</u>	<u>FY 04/05 ACTUAL</u>	<u>FY 05/06 BUDGET</u>
Risk Management & Safety Division Director	0 – CLFT	1 – CLFT
Drug/Alcohol Testing Program Mgr	1 – CLFT	0 – CLFT
Benefits Accountant	1 – CLFT	1 – CLFT
Claims Administrator	1 – CLFT	1 – CLFT
Contract Administrator	1 – CLFT	1 – CLFT
Human Resources Assistant	1 – CLFT	1 – CLFT

Insurance Specialist	1 – CLFT	1 – CLFT
Safety Manager	0 – CLFT	1 – CLFT
Safety Specialist	<u>3</u> – CLFT	<u>2</u> – CLFT
TOTAL:	9	9

EXPENDITURE CLASSIFICATION



	<u>FY 04/05</u> <u>REVISED</u>	<u>FY 05/06</u> <u>APPROPRIATION</u>
Personnel Services	\$ 609,870	\$ 645,040
Operating Expenses	17,888,840	21,374,296
Capital Outlay	4,222	0
Debt Service	0	536,000
Transfer to Other Funds	<u>1,883,180</u>	<u>1,975,000</u>
TOTAL:	\$ 20,386,112	\$ 24,530,336